

[Second Reprint]

SENATE, No. 1368

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED FEBRUARY 3, 2022

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

SYNOPSIS

Requires business owners and rental unit owners to maintain certain liability insurance policies.

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on June 23, 2022, with amendments.



(Sponsorship Updated As Of: 6/29/2022)

1 AN ACT requiring liability insurance for business owners and rental
 2 unit owners and supplementing Title ²[17 of the Revised
 3 Statutes] 40A of the New Jersey Statutes².

4
 5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:

7
 8 1. a. Except as provided in subsection b. of this section, the
 9 owner of a business or the owner of a rental unit or units shall
 10 maintain liability insurance for negligent acts and omissions in an
 11 amount of no less than \$500,000 for combined property damage and
 12 bodily injury to or death of one or more persons in any one accident
 13 or occurrence.

14 b. The owner of a multifamily home which is four or fewer
 15 units, one of which is owner-occupied, shall maintain liability
 16 insurance for negligent acts and omissions in an amount of no less
 17 than \$300,000 for combined property damage and bodily injury to
 18 or death of one or more persons in any one accident or occurrence.

19
 20 ¹[2. This act shall take effect on the 90th day next following
 21 enactment and shall apply to policies issued or renewed on or after
 22 the effective date of this act.]¹

23
 24 ¹2. a. The owner of a business, owner of a rental unit or units,
 25 and the owner of a multi-family home of four or fewer units, one of
 26 which is owner occupied, shall annually register the certificate of
 27 insurance demonstrating compliance with section 1 of this act ²[, on
 28 an Internet website maintained by the Division of Local
 29 Government Services in the Department of Community
 30 Affairs. The Division of Local Government Services shall maintain
 31 the Internet website for the purposes of data entry, and to provide
 32 access to relevant data on insurance coverage to each municipality
 33 in the State for properties in the specific municipality] with the
 34 municipality in which the business, rental units, or multi-family
 35 home is located².

36 b. The governing body of a municipality may, by ordinance,
 37 ²[elect to enforce the] establish a reasonable administrative fee for
 38 the certificate of² registration ²[requirements established] required²
 39 pursuant to subsection a. of this section for properties located in
 40 that municipality. ²[If the] The² governing body of a municipality
 41 ²[elects to enforce the registration provisions of this section, then
 42 the municipality]² may collect, through a summary proceeding
 43 pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999,
 44 c.274 (C.2A:58-10 et seq.), a fine of not less than \$500 but no more

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted March 24, 2022.

²Assembly AFI committee amendments adopted June 23, 2022.

1 than \$5,000 against an owner who failed to comply with the
2 provisions of this act.

3 ²[c. If a governing body of a municipality, by ordinance, elects
4 not to enforce the registration requirements established pursuant to
5 subsection a. of this section, the Division of Local Government
6 Services shall enforce the provisions of this act and shall collect,
7 through a summary proceeding pursuant to the “Penalty
8 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), a
9 fine of not less than \$500 but no more than \$5,000 against an owner
10 who failed to comply with the provisions of this act.]¹²

11
12 ¹3. a. The provisions of subsection a. of section 1 of this act
13 shall take effect on the 90th day next following enactment for all
14 new policies issued on or after the 90th day following enactment
15 and shall take effect on the 180th day next following enactment for
16 all policies in force on the date of enactment that are renewed on or
17 after the 180th day following enactment.

18 b. The provisions of subsection b. of section 1 of this act shall
19 take effect on the 180th day next following enactment and shall
20 apply to policies issued or renewed on or after the 180th day
21 following enactment.

22 c. The provisions of section 2 of this act shall take effect on the
23 90th day next following enactment.¹